

1 **SECTION 1. SHORT TITLE.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Marriage Tax Relief Reconciliation Act of 2000”.

4 (b) **SECTION 15 NOT TO APPLY.**—No amendment
5 made by this Act shall be treated as a change in a rate
6 of tax for purposes of section 15 of the Internal Revenue
7 Code of 1986.

8 **SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STAND-**
9 **ARD DEDUCTION.**

10 (a) **IN GENERAL.**—Paragraph (2) of section 63(c) of
11 the Internal Revenue Code of 1986 (relating to standard
12 deduction) is amended—

13 (1) by striking “\$5,000” in subparagraph (A)
14 and inserting “200 percent of the dollar amount in
15 effect under subparagraph (C) for the taxable year”,

16 (2) by adding “or” at the end of subparagraph
17 (B),

18 (3) by striking “in the case of” and all that fol-
19 lows in subparagraph (C) and inserting “in any
20 other case.”, and

21 (4) by striking subparagraph (D).

22 (b) **TECHNICAL AMENDMENTS.**—

23 (1) Subparagraph (B) of section 1(f)(6) of such
24 Code is amended by striking “(other than with” and
25 all that follows through “shall be applied” and in-

1 serting “(other than with respect to sections
2 63(c)(4) and 151(d)(4)(A)) shall be applied”.

3 (2) Paragraph (4) of section 63(c) of such Code
4 is amended by adding at the end the following flush
5 sentence:

6 “The preceding sentence shall not apply to the
7 amount referred to in paragraph (2)(A).”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 1999.

11 **SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT**
12 **BRACKET.**

13 (a) IN GENERAL.—Subsection (f) of section 1 of the
14 Internal Revenue Code of 1986 (relating to adjustments
15 in tax tables so that inflation will not result in tax in-
16 creases) is amended by adding at the end the following
17 new paragraph:

18 “(8) PHASEOUT OF MARRIAGE PENALTY IN 15-
19 PERCENT BRACKET.—

20 “(A) IN GENERAL.—With respect to tax-
21 able years beginning after December 31, 1999,
22 in prescribing the tables under paragraph (1)—

23 “(i) the maximum taxable income in
24 the lowest rate bracket in the table con-
25 tained in subsection (a) (and the minimum

1 taxable income in the next higher taxable
 2 income bracket in such table) shall be the
 3 applicable percentage of the maximum tax-
 4 able income in the lowest rate bracket in
 5 the table contained in subsection (c) (after
 6 any other adjustment under this sub-
 7 section), and

8 “(ii) the comparable taxable income
 9 amounts in the table contained in sub-
 10 section (d) shall be $\frac{1}{2}$ of the amounts de-
 11 termined under clause (i).

12 “(B) APPLICABLE PERCENTAGE.—For
 13 purposes of subparagraph (A), the applicable
 14 percentage shall be determined in accordance
 15 with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2000	170
2001	173
2002	178
2003	183
2004 and thereafter	200.

16 “(C) ROUNDING.—If any amount deter-
 17 mined under subparagraph (A)(i) is not a mul-
 18 tiple of \$50, such amount shall be rounded to
 19 the next lowest multiple of \$50.”.

20 (b) TECHNICAL AMENDMENTS.—

1 (1) Subparagraph (A) of section 1(f)(2) of such
2 Code is amended by inserting “except as provided in
3 paragraph (8),” before “by increasing”.

4 (2) The heading for subsection (f) of section 1
5 of such Code is amended by inserting “PHASEOUT
6 OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;”
7 before “ADJUSTMENTS”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 1999.

11 **SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME**
12 **CREDIT.**

13 (a) IN GENERAL.—Paragraph (2) of section 32(b) of
14 the Internal Revenue Code of 1986 (relating to percent-
15 ages and amounts) is amended—

16 (1) by striking “AMOUNTS.—The earned” and
17 inserting “AMOUNTS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), the earned”, and

20 (2) by adding at the end the following new sub-
21 paragraph:

22 “(B) JOINT RETURNS.—In the case of a
23 joint return, the phaseout amount determined
24 under subparagraph (A) shall be increased by
25 \$2,000.”.

1 (b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of
2 section 32(j) of such Code (relating to inflation adjust-
3 ments) is amended to read as follows:

4 “(B) the cost-of-living adjustment deter-
5 mined under section 1(f)(3) for the calendar
6 year in which the taxable year begins,
7 determined—

8 “(i) in the case of amounts in sub-
9 sections (b)(2)(A) and (i)(1), by sub-
10 stituting ‘calendar year 1995’ for ‘calendar
11 year 1992’ in subparagraph (B) of section
12 1(f)(3), and

13 “(ii) in the case of the \$2,000 amount
14 in subsection (b)(2)(B), by substituting
15 ‘calendar year 1999’ for ‘calendar year
16 1992’ in subparagraph (B) of section
17 1(f)(3).”.

18 (c) ROUNDING.—Section 32(j)(2)(A) of such Code
19 (relating to rounding) is amended by striking “subsection
20 (b)(2)” and inserting “subparagraph (A) of subsection
21 (b)(2) (after being increased under subparagraph (B)
22 thereof”).

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 1999.

1 **SEC. 5. ALLOWANCE OF NONREFUNDABLE PERSONAL**
2 **CREDITS AGAINST REGULAR AND MINIMUM**
3 **TAX LIABILITY.**

4 (a) IN GENERAL.—Subsection (a) of section 26 of the
5 Internal Revenue Code of 1986 (relating to limitation
6 based on tax liability; definition of tax liability) is amend-
7 ed to read as follows:

8 “(a) LIMITATION BASED ON AMOUNT OF TAX.—The
9 aggregate amount of credits allowed by this subpart for
10 the taxable year shall not exceed the sum of—

11 “(1) the taxpayer’s regular tax liability for the
12 taxable year reduced by the foreign tax credit allow-
13 able under section 27(a), and

14 “(2) the tax imposed for the taxable year by
15 section 55(a).”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Subsection (d) of section 24 of such Code
18 is amended by striking paragraph (2) and by redес-
19 ignating paragraph (3) as paragraph (2).

20 (2) Section 32 of such Code is amended by
21 striking subsection (h).

22 (3) Section 904 of such Code is amended by
23 striking subsection (h) and by redesignating sub-
24 sections (i), (j), and (k) as subsections (h), (i), and
25 (j), respectively.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2001.

4 **SEC. 6. ESTIMATED TAX.**

5 The amendments made by this Act shall not be taken
6 into account under section 6654 of the Internal Revenue
7 Code of 1986 (relating to failure to pay estimated tax)
8 in determining the amount of any installment required to
9 be paid before October 1, 2000.

10 **SEC. 7. COMPLIANCE WITH BUDGET ACT.**

11 (a) IN GENERAL.—Except as provided in subsection
12 (b), all amendments made by this Act which are in effect
13 on September 30, 2005, shall cease to apply as of the close
14 of September 30, 2005.

15 (b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUB-
16 SEQUENT LEGISLATION.—The amendments made by sec-
17 tions 2, 3, 4, and 5 of this Act shall not apply to any
18 taxable year beginning after December 31, 2004.

And the Senate agree to the same.